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9 **UNITED STATES DISTRICT COURT**
10 **DISTRICT OF NEVADA**

11 Eugene Scalia,
Secretary of Labor,
12 United States Department of Labor,

13 Plaintiff,

14 vs.

15 Unforgettable Coatings, Inc., a Nevada
Corporation; Unforgettable Coatings of Idaho,
16 LLC, dba Unforgettable Coatings, a Nevada
Limited Liability Company; Unforgettable
17 Coatings of Arizona, LLC, dba Unforgettable
Coatings, an Arizona Limited Liability
18 Company; Unforgettable Coatings of Utah,
Inc., dba Unforgettable Coatings, a Utah
19 Corporation; Shaun McMurray, an individual;
Shane Sandall, an individual; Cory
20 Summerhayes, an individual

21 Defendants.

Case No.: 2:20-cv-00510-KJD-BNW

**DEFENDANTS' OPPOSITION TO
PLAINTIFF'S APPLICATIONS FOR
TEMPORARY RESTRAINING ORDER
AND ORDER TO SHOW CAUSE RE
PRELIMINARY INJUNCTION**

22
23 Defendants Unforgettable Coatings, Inc., Unforgettable Coatings of Idaho, LLC, dba
24 Unforgettable Coatings, Unforgettable Coatings of Arizona, LLC, dba Unforgettable Coatings,
25 Unforgettable Coatings of Utah, Inc., dba Unforgettable Coatings, Shaun McMurray, Shane
26 Sandall, and Cory Summerhayes [sic] (collectively "Defendants," or "UCI"), by and through its
27 counsel, hereby oppose Plaintiff's Applications for Temporary Restraining Order and Order to
28 Show Cause Why a Preliminary Injunction Should Not Issue (ECF Nos. 4, 5).

1 Plaintiff's Applications, which are duplicate filings, are premised on false allegations and
 2 a manufactured theory of retaliatory conduct advanced in blind ignorance of the current economic
 3 crisis. The "evidence" presented in the Applications consists of hearsay, double hearsay, an
 4 unsigned declaration, an inaccurate and uncertified translation, and a selective extract of payroll
 5 records. These are misleading and fail to satisfy Plaintiff's burden in order to obtain the
 6 extraordinary remedy of injunctive relief at this stage of the proceedings. Indeed, the
 7 Applications were filed mere days after counsel for Defendants accepted service of the Complaint
 8 and are supported by a misleading characterization of the notice provided to Defendants.
 9 Furthermore, Plaintiff's requested relief is extremely overbroad, premature, and unwarranted in
 10 light of the circumstances, yet also lacks the appropriate level of specificity in key areas as it
 11 purports to include all employees of Defendants, and does not differentiate between any of the 4
 12 named corporate defendants or any of the 3 named individual defendants. Finally, there is no
 13 justification for Plaintiff's request for an award of fees and costs. To the contrary, Defendants
 14 should be awarded their fees and costs for responding to Plaintiff's manufactured Applications.
 15 Therefore, Defendants request that this Court deny Plaintiff's Applications in their entirety.

16 This Opposition is made and based upon the accompanying Memorandum of Points and
 17 Authorities, the exhibits attached hereto, all pleadings and papers on file herein, as well as any
 18 oral argument that this Court may entertain.

19 Dated this 17th day of April, 2020

20 JACKSON LEWIS P.C.

21 /s/ Paul T. Trimmer

22 Paul T. Trimmer, State Bar No. 9291

23 Lynne K. McChrystal, State Bar No. 14739

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Temporary restraining orders are appropriate only in extraordinary circumstances. The
 4 Plaintiffs' application for a temporary restraining order and preliminary injunction in this case is
 5 based on (as set forth below, completely false) allegations of recent misconduct – the alleged
 6 termination of unspecified and unidentified individuals – combined with additional allegations
 7 about witness intimidation based on a memo which was sent in October 2019. The support for
 8 these allegations consists of three declarations, scotch taped together and imbued with meaning
 9 by opposing counsel's overheated speculation and characterizations.

10 Neither the declarations nor opposing counsel's theorizing holds up when confronted by
 11 the facts, however. **All** of the material allegations in those documents are unattributed,
 12 uncorroborated hearsay or double hearsay, and while such otherwise inadmissible evidence can be
 13 considered when a TRO application is filed, they cannot be "conclusory and without sufficient
 14 support in facts." *American Passage Media Corp. v. Cass Comm.*, 750 F.2d 1470, 1473 (9th Cir.
 15 1985). The problems with Plaintiff's declarations cannot be cured.

- 16 • Cristian Cespedes' Declaration is not signed. Docket No. 4-4. His employment with
 17 the Company ceased in September 2019, months before any of the alleged events
 18 relevant to the TRO application supposedly took place. *Id.* at ¶ 2. His statements and
 19 characterizations of the contents of the September 2019 letter are inconsistent with the
 20 actual text of the document, barred by the best evidence rule, and based on
 21 unattributed hearsay. *Id.* at ¶ 6. His statements about paystubs and workers' alleged
 22 fear are hearsay, not specific, and unattributed.
- 23 • The declaration of Daryl Davis-Ferra suffers from the same problems. His statements
 24 about the September 2019 letter are inconsistent with the text, barred by the best
 25 evidence rule, filled with speculation, and contain legal conclusions (i.e., that advising
 26 employees that participation in interviews is voluntary "deter[s]" workers). Docket
 27 No. 4-6 at ¶ 7. Similarly, his assertion that the letter constitutes "witness
 28 intimidation," *id.* at ¶ 10, is not evidence. It is speculation and characterization, and

1 his supposed “translation” of the letter is materially inaccurate. His statement about
 2 paycuts and terminations, *id.* at ¶ 24, is rank, unattributed hearsay, and there is no
 3 reason for the lack of attribution given that he does not say it is based on the statement
 4 of an allegedly confidential informant.

- 5 • The declaration of John Lama, Docket No. 4-9, is also nothing more than hearsay
 6 when it comes to the testimony relevant to the TRO. Each paragraph is based on
 7 unattributed statements of “workers,” without information about the date the
 8 conversations allegedly occurred, without corroboration from redacted notes, without
 9 support from redacted communications. His testimony about the alleged terminations,
 10 *id.* at ¶ 13, is based on **double hearsay** from workers claiming that other workers had
 11 been discharged.

12 Based on the foregoing evidence, Plaintiff asked the Court for extraordinary relief. It
 13 asked the Court to preclude the Company from discharging or otherwise laying off **any** worker at
 14 the Company unless it first contacts the employee and the DOL and provides a reason. Docket 4-
 15 10 at ¶ 2. It asks for premature discovery related to the merits of Plaintiff’s FLSA claims,
 16 discovery which has nothing to do with the issues supposedly warranting a TRO. *Id.* at ¶¶ 3, 5.
 17 And it asked for an order enjoining Defendant from doing things that Defendant has not done and
 18 which Plaintiff has not come close to proving, including witness tampering, and suborning false
 19 testimony. In short, the Plaintiff’s application contains no evidence. It certainly has not shown
 20 that it is likely to prove, by a preponderance of the evidence, that it would succeed at trial in
 21 proving that the Defendant has engaged in retaliation and other acts prohibited by the FLSA.

22 Simply put, the facts set forth in the DOL’s application are materially and inexcusably
 23 false. No employees have been terminated. *See Exhibit A*, Declaration of Cory Summerhays
 24 (“Summerhays Decl.”). All of the employees – including any employee to whom the DOL could
 25 have conceivably referred – remained on payroll through April 3, 2020, receiving pay as if they
 26 had worked full 40 hour weeks. Those same employees are still on payroll, and received full
 27 paychecks after the TRO was issued, even though the Company was shut down for COVID-19
 28 cleaning. And, throughout this period, the Company has continued to pay for all employees’

1 health benefits, with no cost to the employees. To the extent employees may have been confused
2 about whether they remained employed after they placed themselves in jeopardy by walking off
3 the job on March 18, 2020, that confusion was cleared up no later than March 24, 2020 – more
4 than a week before the DOL filed its TRO application. *See Ex. A*, Summerhays Decl.

5 The Applications allege intermittent conduct of Defendants dating back to 2013, yet the
6 entire basis for injunctive relief boils down to one bald accusation: that, in March of 2020,
7 Defendants informed employees of a pay reduction due to the pandemic and terminated
8 employees who complained. ECF No. 4 at 2:20-22. Plaintiff goes so far as to accuse Defendants
9 of “using the pandemic...as a cover” for retaliation, ECF No. 4 at 1:7-8, despite Plaintiff’s
10 complete ignorance of Defendants’ financial state and business operations. Plaintiff’s overly
11 simplistic explanation for why Defendants’ legitimate business decisions must be “cover” for
12 retaliation is this the Governor has deemed construction to be an essential business, therefore
13 Defendants’ operations must be proceeding as if nothing had changed. Plaintiff’s assumption that
14 Defendants’ operations are proceeding as usual in the midst of the worst economic downturn
15 since the Great Recession is astonishing and unsupported by a single piece of actual evidence.

16 Had Plaintiff not filed its application prematurely and without reasonable notice to
17 Defendants, Defendants could have explained that its volume of business was already at its lowest
18 point in ten years *prior* to the COVID-19 outbreak and *prior* to the filing of the Complaint. When
19 the COVID-19 crisis deepened, several of Defendants’ customers either cancelled work entirely
20 or requested Defendants to delay performance. Further, Defendants could have explained that it
21 did not in fact terminate any employee after March 18, 2020, but that some employees have been
22 unable to work (but remain on payroll with full health benefits) because there is simply no work
23 for them to do. Defendants now present both of these points to the Court, with the proper factual
24 support that Plaintiff’s allegations lack.

25 There is no merit to Plaintiff’s allegations, Defendants respectfully request that this Court
26 deny Plaintiff’s Applications in their entirety.

27
28

1 **II. STATEMENT OF FACTS**

2 UCI is a commercial and residential painting contractor with approximately 90-100 full-
3 time employees in Nevada. **Ex. A**, Summerhays Decl., ¶ 3. For the past several years, it has been
4 able to consistently provide a full 40 hours of work to its employees and schedule jobs 4 to 6
5 weeks out. *Id.* In December 2019 and January of 2020, UCI began to have difficulty filling its
6 schedule 4 to 6 weeks out. *Id.* at ¶ 4; **Exhibit B**, Declaration of Justin Swenson (“Swenson
7 Decl.”), ¶ 4. In fact, Justin Swenson (“Mr. Swenson”), the General Manager for Production, had
8 never seen UCI’s schedule so scarce in his 10 years’ experience working for the company. *Id.* at
9 ¶ 6. Mr. Swenson, who bears primary responsibility for monitoring workflow and labor needs for
10 UCI, began to worry and press the sales staff to generate more work. *Id.* at ¶¶ 3, 5. Mr. Swenson
11 sent text messages in December 2019, January 2020, and February 2020 wherein he expressed his
12 concerns, such as “I have zero work for guys. Every job is doubled up” and “we are running out
13 of work again.” *Id.* at ¶ 5. Despite the increased pressure Mr. Swenson placed on the sales team,
14 the best they could manage in the first quarter of 2020 was to schedule employees 1 to 2 weeks in
15 advance (although a few employees on larger projects had steady work scheduled for 4 weeks).
16 *Id.* at ¶ 6.

17 Mr. Summerhays also noticed the scarcity of work. He felt that the he schedule for March
18 2020 was the least full it had been in the company’s history. **Ex. A**, Summerhays Decl., ¶ 4. He
19 discussed these issues with UCI’s Vice President of Sales, Mike Lawruk (“Mr. Lawruk”) in early
20 March 2020. Mr. Summerhays and Mr. Lawruk discussed the “gaps” they saw in the schedule
21 and attempted to utilize days off to stall and hope that more jobs would be forthcoming. *Id.* They
22 further discussed the major concerns they had about the company’s projections for the next 6
23 months to 1 year even prior to the Governor of Nevada’s announcement. *Id.*

24 The slowing of UCI’s volume of worsened when business began to close due to COVID-
25 19. **Ex. B**, Swenson Decl., ¶ 7. The schedule for March 2020 was the least full it had been in the
26 company’s history. *Id.* at ¶¶ 6, 8. Although the Governor of Nevada (and the governors in other
27 states where Unforgettable operates) deemed construction an essential business when announcing
28 statewide closures, COVID-19 impacted *customer* demand and budgets. **Ex. A**, Summerhays

1 Decl., ¶ 6; **Ex. B**, Swenson Decl., ¶ 7. For instance, on March 18, 2020 a customer at Stone Ridge
2 HOA requested that UCI delay performance of a job. *Id.* She explained “[i]n light of the news
3 announcement last night and controlling spread of COVID-19, please reschedule painting at Stone
4 Ridge. There are many seniors within the community. Painting wrought iron railings is not
5 worth risking their lives. It can be delayed.” *Id.* On March 26, 2020, Mr. Swenson texted Sales
6 Account Executive Clayton Peterson (“Mr. Peterson”) and told him “I’m gonna have guys out of
7 work Monday.” *Id.* Customer demand weakened further as the crisis deepened, and even larger
8 projects were impacted. **Ex. A**, Summerhays Decl., ¶ 19. For instance, on March 26, 2020, UCI
9 received a letter from Nigro Construction, Inc., stating that the Mountain West Industrial project
10 was on hold. *Id.* (Ex. 5). This project is for a large industrial park in Las Vegas and would have
11 provided a significant amount of work for UCI. *Id.* As recently as April 9, 2020, ColRich
12 canceled a \$525,000 contract to paint the Emerson Apartments in Herriman, Utah. *Id.* (Ex. 6).

13 After reviewing the financial projections for the company into the remainder of 2020, Mr.
14 Summerhays reluctantly decided that a company-wide reduction in discretionary bonus pay would
15 potentially be necessary to maintain the company’s financial health, align with estimates of future
16 profits, and ensure the continued employment of its employees. *Id.* at ¶ 7. On March 18, 2020,
17 Mr. Summerhays held a meeting with the company’s foremen. *Id.* at ¶ 8; **Exhibit C**, Declaration
18 of Angel Perez (“Perez Decl.”), ¶ 4; **Exhibit D**, Declaration of Archi Esteban Romero (“Romero
19 Decl.”), ¶ 5). He explained that work had slowed over the past several weeks, and that with the
20 state’s order requiring non-essential businesses to shut down, the company may have even less
21 work. *Id.* He said that he wanted to keep all employees working, even if that meant that everyone
22 would have to make a little bit less. *Id.* He said that UCI may have to reduce discretionary bonus
23 pay by up to 30%, but that he would not know the exact amount. *Id.* He explained that either
24 everyone had to take a little bit less or the company could run out of money, but that all
25 employees would continue to receive 100% of their health insurance coverage during this period.
26 *Id.* Mr. Summerhays asked the foreman to raise their hands if they understood and agreed with
27 this. **Ex. A**, Summerhays Decl., ¶ 8. All foreman present raised their hands. *Id.* Mr. Summerhays
28

1 then instructed the foreman to disseminate the information to their teams of workers. **Ex. A**,
 2 Summerhays Decl., ¶ 8; **Ex. C**, Perez Decl., ¶ 5, **Ex. D**, Romero Decl., ¶ 5.

3 A small group of workers reacted to the news with threats and ridicule when their
 4 foreman, Angel Perez (“Mr. Perez”), announced the potential reduction in discretionary bonus
 5 pay during an on-site meeting with his team¹ at the Acacias HOA in Henderson, Nevada. **Ex. C**,
 6 Perez Decl., ¶ 5, **Exhibit E**, Declaration of Iris Jasmin Martinez (“Martinez Decl.”), ¶ 5. One
 7 worker told Mr. Perez that he would “kick his ass.” **Ex. C**, Perez Decl., ¶ 5. This group grew
 8 angry with Mr. Perez, told him they did not believe that everyone, including Mr. Perez, would be
 9 required to take the reduction, and demanded to talk to Summerhays. *Id.* at ¶¶ 5-6, **Ex. E**,
 10 Martinez Decl., ¶ 4. Mr. Perez called Mr. Summerhays and put him on speakerphone so the
 11 group of workers could talk to him. *Id.* Mr. Perez told Mr. Summerhays that people on his team
 12 did not believe him when he announced the potential reduction in discretionary bonus pay, and
 13 that they wanted to hear the news directly from Mr. Summerhays. **Ex. A**, Summerhays Decl., ¶ 9,
 14 **Ex. C**, Perez Decl., ¶ 6. Mr. Summerhays told the group of workers that Mr. Perez was correct.
 15 **Ex. A**, Summerhays Decl., ¶ 9, **Ex. C**, Perez Decl., ¶ 6; **Ex. E**, Martinez Decl., ¶ 5. He explained
 16 that the situation was serious, and the step was necessary to ensure that every employee was taken
 17 care of. *Id.* The group of workers replied to Mr. Summerhays that he could come and “clean
 18 [his] own building” (i.e. finish the project at the Acacias himself). **Ex. E**, Martinez Decl., ¶ 5.
 19 They laughed and hung up. *Id.* One employee told Mr. Perez that he would go to the labor
 20 commissioner and Mr. Perez responded that it was okay if he wanted to go. **Ex. C**, Perez Decl., ¶
 21 7. Several employees then left the jobsite. **Ex. C**, Perez Decl., ¶ 8; **Ex. E**, Martinez Decl., ¶ 6.
 22 They did not ask for Mr. Perez’s permission to leave. **Ex. C**, Perez Decl., ¶ 8. They appeared
 23 angry and did not say that they intended to return to work. *Id.*

24 At no point during the discussion with Mr. Perez, or with Mr. Summerhays on the
 25 speakerphone, did any of the employees express fear to work due to COVID-19 or request to stay
 26

27 ¹ At the time Rafael Castillo Dubon, Jose Adolfo Ganez Dubon, Abraham Gonzales Mendoza, Denis
 28 Guardado, Iris Jasmin Martinez, Melvin Antonio Martinez Ramos, Oscar Abel Serrano Alfaro, and Oscar
 Zuniga were members of Mr. Perez’s team. **Ex. A**, Summerhays Decl., ¶ 13, **Ex. C**, Perez Decl., ¶ 5; **Ex.**
E, Martinez Decl., ¶ 3.

1 home during the duration of the outbreak.² **Ex. A**, Summerhays Decl., ¶ 9, **Ex. C**, Perez Decl., ¶
 2 8; **Ex. E**, Martinez Decl., ¶ 7. Some employees did not report to work the next day even though
 3 they were scheduled to do so. **Ex. A**, Summerhays Decl., ¶ 9.

4 On March 22, 2020, a few days after the announcement regarding the potential reductions
 5 in discretionary bonus pay, UCI had received additional cancelations from customers, still did not
 6 have a full schedule of work for all employees, and had some employees walk off the jobsite. *Id.*
 7 at ¶ 10. Mr. Summerhays therefore directed Galia Carrejo (“Ms. Carrejo”) to message a number
 8 of workers throughout the Company, including several in Mr. Perez’s group, informing them that
 9 no work was available at that time, and that the Company would therefore assist them with
 10 severance while they were out of work. *Id.*; **Exhibit F**, Declaration of Galia Carrejo (“Carrejo
 11 Decl.”), ¶ 12. Those individuals who walked off Mr. Perez’s jobsite and did not return were
 12 among those advised of the lack of work, as was Edgar Ortiz, who was not part of Mr. Perez’s
 13 group. **Ex. A**, Summerhays Decl., ¶ 10; **Ex. F**, Carrejo Decl., ¶ 12.

14 However, it came to Mr. Summerhays’ attention that this message confused some workers
 15 because they believed that the message was a permanent termination from the Company. **Ex. A**,
 16 Summerhays Decl., ¶ 11. The allegation that UCI terminated these employees is false. *Id.* at ¶
 17 12. None of those workers were terminated. *Id.* at ¶ 12; **Ex. F**, Carrejo Decl., ¶ 14. Although Mr.
 18 Summerhays had considered taking action against the workers who directed outbursts to Mr.
 19 Perez, he ultimately chose not to do so because COVID-19 has had such a dramatic effect on
 20 people and he believed many of the employees simply could have been caught up in the moment.
 21 **Ex. A**, Summerhays Decl., ¶ 12. Mr. Summerhays instructed Ms. Carejo to send follow up
 22 messages to let these employees know that he (Mr. Summerhays) would contact them later that
 23 day. **Ex. F**, Carrejo Decl., ¶ 13. Mr. Summerhays therefore contacted workers personally to clear
 24 up any misunderstandings. **Ex. A**, Summerhays Decl., ¶ 13. Beginning on March 24, 2020, he
 25 called each worker individually – Rafael Castillo Dubon, Abraham Gonzales Mendoza, Dennis
 26

27 ² The version of this meeting as recounted by investigator John Lama (“Mr. Lama”) in Plaintiffs’
 28 Applications is inaccurate and misleading. *See* ECF No. 4-9, ¶¶ 13-14. It is based on hearsay and directly
 contradicted by statements attached to this Response.

1 Valdez, Jose Ismael Zuniga, Melvin Antonio Martinez Ramos, Ramon Salgado, Oscar Abel
2 Serrano Alfaro, Angel Diaz, Oscar Zuniga, and Edgar Ortiz, to explain that they were not
3 terminated, would be scheduled for work as soon as work was available, and would continue to
4 receive 100% of their health insurance and dental premiums. *Id.* Mr. Summerhays was unable to
5 speak to one employee, Oscar Abel Serrano Alfaro, but it was not for lack of trying. *Id.* at ¶ 14.
6 Mr. Alfaro would not return his call. *Id.*

7 Since that time, Mr. Summerhays has continued to check up on employees and
8 communicate with them regarding the availability of work and their continued employment with
9 UCI. *Id.* at ¶ 15. For instance, Mr. Summerhays had text conversations with Dennis Valdez,
10 Abraham Gonzales Mendoza, and Melvin Antonio Martinez Ramos. *Id.* at ¶ 16 (Ex. 3). Mr.
11 Summerhays and these employees discussed UCI's continued provision of health benefits to each
12 employee (at no cost to the employee) and the availability of work. *Id.* These text message
13 exchanges occurred well before the Department of Labor filed its application for TRO. *Id.* In
14 fact, on April 4, 2020, Mr. Mendoza expressed his gratitude for maintaining his pay although he
15 had not worked a full schedule and stated "now I can pay my bills thanks again...." *Id.* On April
16 5, 2020, Mr. Summerhays replied with a text to Mr. Mendoza explaining that UCI has had
17 employees without work for awhile, and that "[e]ach individual is being considered for work,
18 trying to spread that out as much as possible considering the lack of work." *Id.* UCI has since
19 arranged for Mr. Mendoza to start a project in Utah beginning the week of April 20, 2020. *Id.*

20 Further, all of the individuals who were on Mr. Perez's team on March 18, 2020, were
21 paid for forty (40) hours per week in the payroll cycle that ended on March 27, 2020, even though
22 some of them did not work at all. *Id.* at ¶ 17 (Ex. 4). UCI processed payroll on April 17, 2020,
23 for all of its employees, including those employees who are not currently scheduled to work. *Id.* at
24 ¶ 18.

25 UCI's operations continue to be hampered by the COVID-19 crisis. *Id.* at ¶ 19. The
26 company recently closed its job sites and hired a third party to perform COVID-19 specific
27 cleaning for worker safety. *Id.* at ¶ 20 All employees we paid during this period of time. *Id.* It
28 has equipped its foremen with infrared thermometers to monitor employee health. *Id.* Any

1 workers who exhibit symptoms of COVID-19 are required to go home with full sick pay. *Id.*
 2 Nonetheless, UCI's precautions cannot bolster flagging customer demand or create work where
 3 there is none. *Id.* at ¶ 21. Some employees still have not been scheduled for work simply because
 4 no work is available. *Id.* But, as noted above, UCI is continuing to pay those individuals and is
 5 continuing their health benefits. *Id.*

6 Clearly, UCI's announcement of a potential reduction in discretionary bonus pay was
 7 based on a legitimate business purpose. There is no evidence that any of its actions were linked to
 8 the filing of the instant Complaint. There is no evidence that it terminated any employees for
 9 complaining about the potential reduction, because it did not terminate any employees even
 10 though a group treated their foreman discourteously and walked off the job. The remainder of the
 11 allegations in the Applications attempt to fabricate "irreparable harm" in the form of intimidation
 12 based on statements allegedly made by Mr. Summerhays in various meetings. Notably, the only
 13 "evidence" offered by Plaintiff to prove Mr. Summerhays made the various inflammatory
 14 statements they accuse him of are declarations from two investigators and one former employee,
 15 none of whom attended any of these meetings. Further, the Declaration of Cristian Cespedes
 16 ("Mr. Cespedes"), is not even signed and the Declaration of Daryl Davis-Ferra ("Mr. Davis-
 17 Ferra") contains an improper signature pursuant to LR IC 5-1. *See* ECF No. 4-4, p. 3; 4-6, p.8.
 18 Both declarations should be stricken pursuant to LR IC 7-1.

19 The only documentary evidence presented by Plaintiff is a letter sent in September of
 20 2019, more than 6 months ago. Indeed, while UCI did issue a memo to employees at the end of
 21 September 2019, it did so because several employees were confused as to why the Department of
 22 Labor had visited worksites. **Ex. A.** Summerhays, Decl., ¶ 24. They were, among other things,
 23 concerned that the Department of Labor was investigating immigration status. *Id.* The letter
 24 referenced in Mr. Davis-Ferra's Declaration is in Spanish and is accompanied by an unverified,
 25 uncertified translation. Mr. Davis-Ferra's Declaration relies heavily on this inaccurate translation
 26 to claim, as fact, that the letter "attempted to deter workers from speaking with [investigators]."
 27 This misleading allegation is belied by an accurate translation of the September 2019 letter.
 28 **Exhibit G**, Declaration of Soledad Garcia ("Garcia Decl."), Exhibit 1. In fact, contrary to the

1 Department of Labor's assertion, the memo does not say that employees must "coordinate with
 2 their foremen." *Id.*; **Exhibit H**, Comparison Chart of Translations.³ The memo does not imply
 3 that speaking with the DOL will lead to "immigration problems." *Id.* To the contrary, UCI
 4 specifically advised employees that the DOL investigators were *not* interested in immigration
 5 status to dispel concerns employees had brought to our attention after the DOL's initial visits. *Id.*

6 To the extent that the hearsay and double hearsay presented by the Plaintiff as "evidence"
 7 of intimidatory conduct requires rebuttal, a summary of the false allegations contained in the
 8 Applications and declarations in support follows:

9 • Mr. Cespedes claims he was a project manager in 2018 and began hiring workers
 10 with specific instructions from Mr. Summerhays on pay and overtime. ECF No. 4-4, ¶ 4. This is
 11 false. Cespedes was never responsible for negotiating rates or hiring employees. **Ex. A**,
 12 Summerhays Decl., ¶ 30. These functions were performed by Human Resources and Mr.
 13 Summerhays. *Id.* In addition, Mr. Cespedes has no firsthand knowledge of UCI's current
 14 operations, as he has not been employed by UCI since September of 2019. *Id.*

15 • Mr. Lama alleges workers told him that Mr. Summerhays visited a job site in
 16 September 2019 and told workers they should not speak to investigators. ECF No. 4-9, ¶ 8. Mr.
 17 Lama also, based on this hearsay, makes the inflammatory allegation⁴ that Mr. Summerhays told
 18 employees that the investigators could "send information to immigration enforcement." This
 19 hearsay is inherently unreliable and false. Mr. Summerhays has neither instructed workers not to
 20 talk to investigators or stated that the investigators would send employee information to
 21 immigration enforcement. **Ex. A**, Summerhays Decl., ¶ 26; **Ex. C**, Perez Decl., ¶¶ 9-10; **Ex. D**,
 22 Romero Decl., ¶ 9.

23
 24
 25
 26 ³ The emphasis included in this chart is that of counsel.

27 ⁴ These type of inflammatory allegations are relied upon by the Plaintiff through the Applications. They
 28 are advanced with little regard for the truth and no evidentiary support. Mr. Summerhays denies making
 any such statements. This is corroborated by the other witnesses whose statements Unforgettable was able
 to secure on short notice, prior to its full investigation of the allegations in the Complaint or submission of
 a responsive pleading.

1 • Mr. Lama alleges that “one worker” told him that Mr. Summerhays discussed the
2 investigation at a December 2019 meeting and stated “he knew that some workers were leaking
3 information.” ECF No. 4-9, ¶ 9. This hearsay statement is false. **Ex. A**, Summerhays Decl., ¶ 27.

4 • Mr. Lama alleges workers were required to surrender their cell phones at a January
5 10, 2020 meeting “so workers were not able to record the meeting.” ECF No. 4-9, ¶ 10. Mr.
6 Lama alleges Mr. Summerhays again instructed workers not to give company information to
7 investigators and to report their pay rates as \$9 per hour if asked. *Id.* These hearsay statements
8 are false and misleading. Mr. Summerhays had all employees turn in their cell phones prior to the
9 meeting to ensure that each employee gave his or her full attention to the annual meeting. **Ex. A**,
10 Summerhays Decl., ¶ 28; **Ex. D**, Romero Decl., ¶ 4. He was inspired to try this to increase
11 engagement after observing performers use this technique to increase audience engagement at
12 concerts. **Ex. A**, Summerhays Decl., ¶ 28. The meeting was focused on the future performance
13 and direction of the company; at no time did Mr. Summerhays discuss the investigation or instruct
14 employees on how to respond to inquiries from investigators. *Id.*

15 • Mr. Cespedes and Mr. Davis-Ferra claim that payroll password were changed on
16 January 28, 2020. Mr. Cespedes and Mr. Davis-Ferra insinuate that the company purposefully
17 “locked out” employees “so no one can see their paystubs without asking permission first.” ECF
18 Nos. 4-4, ¶ 7; 4-6, ¶ 23. This is false. **Ex. A**, Summerhays Decl., ¶ 29. UCI uses an ADP payroll
19 platform and cannot “lock out” individual employee access. UCI performed a system-wide reset
20 in January 2020 due to a security breach. *Id.* UCI advised all employees to reset their passwords
21 and disseminated this information through slack and its foremen. *Id.* Employees can reset their
22 passwords by calling ADP or using a link on their sign-in screens. *Id.*

23 • Mr. Lama alleges that, during a March 6, 2020 meeting, Mr. Summerhays again
24 instructed workers how to respond to pay inquiries and “made it understood” that workers could
25 not provide pay records to anyone and could be deported for participating in the investigation.
26 ECF No. 4-9, ¶ 12. These inflammatory, vague allegations are false. **Ex. A**, Summerhays Decl., ¶
27 23. Mr. Summerhays did not discuss the investigation at the March 6, 2020 meeting, nor did he
28 reference or intimate that participation could result in problems with immigration. *Id.* Ms.

1 Carrejo's Declaration corroborates Mr. Summerhays' denial. **Ex. F**, Carrejo Decl., ¶¶ 7-10. Had
 2 Mr. Summerhays made any statements regarding immigration or deportation, Ms. Carrejo
 3 certainly would have noticed and taken offense because she is of Mexican origin. *Id.*

4 • Mr. Davis-Ferra and Mr. Lama claim informants told him they were "threatened
 5 with a 30% pay cut and that anyone who disagreed was fired and could not come back." ECF No.
 6 4-6, ¶ 24; 4-9 ¶ 13. As discussed extensively above, this is false.

7 • Mr. Davis-Ferra claims that one employee who spoke to him in October 2019 no
 8 longer wished to speak to one of the other investigators. ECF No. 4-6, ¶25. Mr. Davis-Ferra
 9 purports to infer, from this double hearsay (an unidentified person's refusal to talk to an
 10 unidentified other person), "what we heard about Mr. Summerhays intimidating witnesses...is
 11 true." *Id.* Inferences based on double hearsay are not evidence.

12 When viewed in its totality, Plaintiff's Application is devoid of any evidence of irreparable
 13 harm, and is entirely dependent on inference, hearsay, double hearsay, unsigned declarations, and
 14 a misleading documentary translation. Therefore, because there is no basis to grant the extremely
 15 broad and extraordinary relief requested by Plaintiff, Defendants request that this Court deny
 16 Plaintiff's Applications.

17 **III. LEGAL ARGUMENT**

18 **A. Legal Standard for Injunctive Relief**

19 The Court should deny Plaintiff's preliminary injunction motion because it fails to meet
 20 the heavy burden required of such motions. "A preliminary injunction is an *extraordinary* remedy
 21 never awarded as of right." *Winter v. Natural Res. Council, Inc.*, 555 U.S. 7, 24, 129 S. Ct. 365
 22 (2008) (emphasis added). Therefore, to qualify, "the movant's right to relief must be *clear and*
 23 *unequivocal*." *Fundamentalist Church of Jesus Christ of Latter-Day Saints v. Horne*, 698 F.3d
 24 1295, 1301 (10th Cir. 2012) (emphasis added). A court may grant a preliminary injunction only if
 25 the movant establishes: (1) it will suffer irreparable harm; (2) that there is a substantial likelihood
 26 that it will succeed on the merits; (3) that an injunction, if issued, would not be adverse to public
 27 policy; and (4) that the threatened injury outweighs the damage the proposed injunction may
 28

1 cause the opposing party. *Fernandez v. State of Nevada*, 2011 U.S. Dist. LEXIS 6103 at *2-3 (D.
2 Nev Jan. 15, 2011 (citing Fed. R. Civ. P. 65; *Winter*, 55 U.S. 7).

3 Further, although a court may consider hearsay evidence when determining whether to
4 issue injunctive relief, hearsay evidence alone is insufficient to satisfy Plaintiff's burden to obtain
5 the extraordinary remedy sought here. The legal authority cited by Plaintiff in support of its
6 contention that this Court should rely on the hearsay and double hearsay presented in Plaintiff's
7 Applications is misplaced and easily distinguishable. For example, *Johnson v. Couturier*, 572
8 F.3d 1067 (9th Cir. 2009) is distinguishable from the instant matter because *Johnson* involved
9 allegations of a breach of fiduciary duty related to the alleged diversion of \$35 million in
10 corporate assets—an issue wholly inapplicable in this situation. *Id.* Further, the *Johnson* court
11 considered some hearsay *in conjunction with* **“the many exhibits, affidavits, declarations and**
12 **factual allegations which have been submitted...by all parties...throughout the course of this**
13 **litigation.”** *Id.* (emphasis added). The court's decision in *Flynt Distributing Co. v. Harvey*, 734
14 F.2d 1389 (9th Cir. 1984) was based upon the urgency presented by allegations that the
15 defendants were transferring valuable corporate assets. In *Republic of Philippines v. Marcos*,
16 862 F.2d 1355 (9th Cir. 1988) (cited by *Johnson*, 572 F.3d at 1083, as authority for consideration
17 of hearsay), the court was again faced with the urgency of the dissipation of corporate assets and
18 noted “[n]o affidavits countering the inference were presented by [defendants].” *Id.* at 1363.

19 Here, the bare hearsay and double hearsay relied upon by Plaintiff is supported by a
20 solitary document from September 2019 which is in Spanish and accompanied by an uncertified,
21 inaccurate translation. This “evidence” is inherently unreliable and insufficient. It is contradicted
22 by the declarations presented by Defendants. Plaintiff cannot meet any of the necessary elements
23 to warrant the issuance of a temporary restraining order or preliminary injunction. Plaintiff has
24 also failed to provide any support, legal or factual, for their request that the Court prohibit
25 Unforgettable from terminating employees or reducing wages in the midst of the worst economic
26 downturn since the Great Recession, to require that Defendants produce documents prior to the
27 commencement of discovery or the filing of a responsive pleading, to require that Defendants
28

1 allow employees to access to invade each other's privacy rights,⁵ or its request for an award of
 2 fees and costs. As a result, Plaintiff's Applications should be denied.

3 **1. Plaintiff is Unlikely to Succeed on the Merits of its Retaliation**
 4 **Claim.**

5 Plaintiff has not produced any evidence indicating that it is likely to succeed on the
 6 underlying merits of its claims that Unforgettable is "engaging in a campaign to deter workers
 7 from cooperating with the Secretary" and the "Secretary is likely to succeed on his claim that
 8 Defendants interfered with his investigation." ECF No. 4-2 at 8:21-22, 13:23-24.

9 To establish a *prima facie* case of retaliation under the FLSA, Plaintiff must establish that
 10 an individual or group of individuals: (1) engaged in statutorily-protected activity, (2) suffered an
 11 adverse employment action, and (3) a causal connection exists between the two. *Ray v.*
 12 *Henderson*, 217 F.3d 1234, 1240 (9th Cir. 2000); *Lombardi v. Castro*, No. 15-55276, 2017 U.S.
 13 App. LEXIS 519, at *2 (9th Cir. Jan. 9, 2017). Assuming, *arguendo*, that Plaintiff can establish
 14 engagement in a protected activity, Plaintiff has utterly failed to produce any evidence that
 15 employees at Unforgettable suffered an adverse employment action or that a casual connection
 16 exists between the protected activity and any alleged adverse employment action.

17 *a. Plaintiff Has Presented No Evidence of Protected Activity*

18 Claims of retaliation are necessarily individualized, personalized claims because they
 19 require proof of a causal connection between the activity and the adverse action. *See, e.g.,*
 20 *Henderson*, 217 F.3d at 1240. Here, there is no evidence that any particular employee engaged in
 21 protected activity, let alone evidence connecting a particular employee who engaged in protected
 22 activity with a specific adverse action. Clearly, if the DOL claims to have documents it received
 23 from workers, some of those workers cooperated with the investigation and engaged in protected
 24 activity. But the fact that the Court can draw such an inference does not establish a *prima facie*

25
 26
 27 ⁵ Plaintiff requests, without qualification or limitation, that "employees shall also have the right to inspect
 28 Defendants' production records and payroll records." ECF No. 4, p. 2, ¶ 5. This asks the Court to endorse
 a blatant violation of employees' privacy right which exceeds permissible disclosure under Nevada law.
 Employees have a right to request their own records pursuant to NRS § 613.075.

1 case that is sufficient to meet a burden of proof and warrant the entry of a broad preliminary
2 injunction.

3 *b. Plaintiff Has Presented No Evidence of Adverse Action*

4 Notably, Plaintiff's allegations of an adverse action focus solely on the conduct of Mr.
5 Summerhays despite its sweeping allegation that the company is "engaging in **a campaign** to
6 deter workers." (emphasis added). Plaintiff's evidence of an adverse action is simple:
7 "Summerhays has engaged in a number of actions reasonably likely to deter employees from
8 engaging in protected activity." ECF No. 4-2 at 10:26-27. Plaintiff points to the improperly
9 signed Declaration of Mr. Davis-Ferra to support this contention. *Id.* As discussed above,
10 however, even if the Court were to refrain from striking the Declarations of Mr. Davis-Ferra and
11 Mr. Cespedes for noncompliance with the Local Rules, the contents thereof are nothing more than
12 hearsay, double hearsay, and inference. Each allegation has been rebutted by Defendants herein.
13 *See* Section II above.

14 Plaintiff's suggestion that the requirement that employees enter into an employment
15 agreement is an "adverse action" is unsupported by any legal or factual authority. First, Plaintiff
16 provides no actual evidence that employees were "made" or "forced" to enter into employment
17 agreements. Second, the only legal authority cited by Plaintiff in support of its contention that
18 employment agreements are "coercive and obstructive" is misplaced. In *Acosta v. Southwest Fuel*
19 *Mgmt.*, 2018 U.S. Dist. LEXIS 22554 (C.D. Cal. Feb. 2018), the court actually concluded that
20 "soliciting and extracting coerced **declarations**...constitutes an adverse employment action or
21 purposes of the FLSA's anti-retaliation provision. *Id.* at *14 (emphasis added). An employment
22 agreement is not a declaration. It describes the contractual obligations of employer and employee
23 rather than sworn statements made under the penalty of perjury. As such, an employment
24 agreement is incapable of "causing [employees] to fear that their prior coerced signature or
25 statement could subsequently be used against [them to claim perjury]" as Plaintiff argues. ECF
26 No. 4-2 at 11:7-11.

27 Critically, UCI did not terminate any employees in March of 2020. The company merely
28 notified employees of a potential, company-wide reduction in discretionary bonus pay due the

worsening financial environment. Under Nevada law, companies may lawfully reduce wages with proper notice to its employees. *See* NRS § 608.100. A group of employees grew angry when the potential reduction was announced and walked off the job site. To the extent that these employees were confused and believed their employment was threatened, the Ninth Circuit has repeatedly reiterated, “the mere threat of termination does not constitute an adverse employment action.” *Campbell-Thomson v. Cox Communs.*, 2010 U.S. Dist. LEXIS 43977, *18-19, (D. Ariz. 2010) (quoting *Hellman v. Weisberg*, 360 Fed. Appx. 776, 2009 U.S. App. LEXIS 28282 at*2 (9th Cir. Dec. 23, 2009)); *see also Hardage v. CBS Broad., Inc.*, 427 F.3d 1177, 1189 (9th Cir. 2005) (holding that thinly veiled threats were not enough to constitute retaliation under Title VII)). Each of the employees who walked off the job on March 18, 2020, remains on the company’s payroll and is eligible to be scheduled for work, however not all employees are currently scheduled due to the economic downturn. UCI has provided substantial evidence regarding the legitimate business purpose for its decisions related to a potential pay reduction and scheduling in the current economic environment. Therefore, the Court “should not second guess an employer’s exercise of its business judgment in making personnel decisions, as long as they are not discriminatory,” *EEOC v. Republic Servs., Inc.* 640 F. Supp. 2d 1267, 1313, Nos. CV-S-04-1352 DAE(LRL); CV-S-04-1479-DAE(LRL) (D. Nev. 2009). Plaintiff’s Applications, which seek to unjustifiably interfere with UCI’s legitimate business operations, must be denied.

c. Plaintiff Has Not Demonstrated the Requisite Causal Link

Plaintiff’s Applications fail to cite the applicable standard for causation in the Ninth Circuit. In *University of Texas Southwestern Medical Center v. Nassar*, 570 U.S. 338, 133 S. Ct. 2517 (2013), the Court unequivocally held that the causation standard in retaliation claims is more rigorous than discrimination claims. *Id.* at 2530-33. Therefore, to establish the “causal link” – the third element of an employee’s *prima facie* case – the employee must prove “the adverse actions would not have been taken ‘but for’ the protected activities.” *Knickerbocker v. City of Stockton*, 81 F.3d 907, 911 (9th Cir. 1996); *McBurnie v. Prescott*, 511 F. App’x 624, 624 (9th Cir. 2013) (unpublished) (*citing Gross v. FBL Fin. Servs., Inc.*, 577 U.S. 167 (2009);); *Lombardi v. Castro*, No. 15-55276, 2017 U.S. App. LEXIS 519, at *2 (9th Cir. Jan. 9, 2017) (citation omitted)

1 (“[t]he third element of a *prima facie* case requires showing ‘but-for causation, not the lessened
 2 causation test stated in § 2000e-2(m),’ which applies to discrimination claims”); *see Serlin v. The*
 3 *Alexander Dawson School*, No. 14-15937, 2016 U.S. App. LEXIS 13744, at *2 (9th Cir. July 28,
 4 2016) (applying the but-for causation standard in assessing whether or not the plaintiff established
 5 a *prima facie* case); *T.B. v. San Diego Unified Sch. Dist.*, 806 F.3d 451, 473 (9th Cir. 2015), *cert.*
 6 *denied sub nom. San Diego Unified Sch. Dist. v. T.B.*, 136 S. Ct. 1679 (2016), (applying *Nassar*’s
 7 “but-for” standard to the plaintiff’s *prima facie* case and concluding that there were “many
 8 explanations why the district” may have made the decisions it did and “[r]etaliation was not one
 9 of them”).

10 The only possible adverse action supported by evidence, and admitted to by Defendants, is
 11 the announcement of a potential reduction in discretionary bonus pay for all UCI employees.
 12 Plaintiff cannot offer any evidence whatsoever to suggest, much less establish for the purposes of
 13 obtaining extraordinary relief, that the potential, *company-wide* pay reduction was motivated
 14 *solely* by a retaliatory animus against a nebulous group of employees. UCI has offered legitimate,
 15 non-discriminatory reasons for its announcement of a potential reduction in pay. Further,
 16 contrary to Plaintiff’s allegation that Mr. Summerhays “first began firing workers,” no employees
 17 were terminated. *Contra* ECF No. 4-2 at 13:1-2; [INSERT cite to DECL HERE]. Finally, even if
 18 an employee suffered an adverse action subsequent to the filing of the instant Complaint, “close
 19 temporal proximity alone is not enough to meet the heightened but-for-causation standard
 20 required of retaliation claims.” *Lige v. Clark Cty.*, 2018 U.S. Dist. LEXIS 26479, *13 (D. Nev.
 21 2018).

22 Plaintiff fails to point to any *applicable* legal authority in this jurisdiction in support of its
 23 assertion that “[d]istrict courts have granted TROs and **preliminary injunctions** to redress
 24 threats and actions similar to the ones that Mr. Summerhays has made in this case.” ECF No. 4-2
 25 at 13:6-7 (emphasis added). Plaintiff’s extra-jurisdictional citations all involve cases where TROs
 26 were granted; none of these cases involve the analysis or award of a *preliminary injunction*. *See*
 27 *J&L Metal Polishing, Perez v. Stars Cleaning, Inc.*, No. 3:15-cv-1127, 2015 WL 11242006 (D.
 28 Or. June 26, 2014) (case settled after issuance of TRO); *Perez v. Alkanan, Inc.*, No. CV13-09228,

1 2013 WL 12129857 (C.D. Cal. 2013) (parties stipulated as to preliminary injunction); *Harris v.*
 2 *Oak Grove Cinemas, Inc.*, 2013 WL 3456563 (D. Or. May 2, 2013). In contrast, Judge Pro
 3 denied a preliminary injunction where “Plaintiffs have presented no evidence that [a supervisor
 4 and coworker]...threatened or intimidated any...Plaintiff or putative class member. Consequently,
 5 Plaintiffs have not met their burden of establishing injunctive relief is necessary in this matter.”
 6 *Almaraz v. Vision Drywall & Paint, LLC*, No. 2:11-cv-01983-PMP-PAL, 2012 U.S. Dist. LEXIS
 7 51276, *5 (D. Nev. 2012). Because Plaintiff has failed to put forward even a scintilla of evidence
 8 to establish the existence of any threatening conduct, let alone the requisite causal link, the
 9 Applications must be dismissed.

10 **2. Plaintiff Is Unlikely to Succeed on Its Claim of Interference**

11 Plaintiff alleges Defendants violated the FLSA’s investigatory provision by terminating
 12 employees, warning employees about immigration authorities, compelling employees to give
 13 “false sworn testimony” to investigators, sending “intimidating letters,” “locking employees out”
 14 of the ADP payroll system, and “securing employee signatures on misleading employee
 15 contracts.” ECF No. 4-2 at 14:16-21. Plaintiff claims that the “evidence makes clear” that
 16 Plaintiff will succeed on the merits as to each of these allegations. *Id.* at 15:3. However, as
 17 discussed above, the only “evidence” provided by Plaintiff is rife with hearsay, double hearsay,
 18 and latent inaccuracies. No employees were terminated. Mr. Summerhays never told employees
 19 that they would be referred to immigration authorities if they spoke to investigators. Plaintiff
 20 refers to “intimidating letters,” but only provides a single letter from September 2019 which is
 21 inaccurately translated. Plaintiff’s claim that employees were “locked out” of ADP’s online
 22 payroll platform is demonstrably false. Finally, Plaintiff provides no evidence of “misleading
 23 employee contracts.”

24 Here, Plaintiff transparently attempts to unfairly gain an advantage in this case by use of
 25 improper tactics designed to manufacture a non-existent concern. Plaintiff has not established a
 26 widespread violation of fairness. Rather, Plaintiff has (albeit inaccurately) described the contents
 27 of a single document sent more than 6 months ago and various hearsay, and double hearsay,
 28 statements regarding the purported intimidating conduct of Mr. Summerhays. Yet, Plaintiff’s

1 broad-based remedy requested in their Applications reveal their true intent. Instead of working
 2 with Defendants' counsel to address the alleged problem and allowing him sufficient time to
 3 address the various concerns raised (after he informed Plaintiff that no workers had been
 4 terminated), Plaintiff quickly filed the instant Applications before Defendants had an opportunity
 5 to fully respond. Plaintiff should not be awarded for such tactics by receiving broad relief which
 6 inhibits the company's ability to respond to financial difficulties in the current economy or an
 7 aware of fees and costs related to this matter. In fact, it is Defendants who has been forced to incur
 8 costs to respond to Plaintiff's embellished and distorted allegations. Accordingly, this Court
 9 should deny Plaintiff's request for relief in its entirety.

10 **3. Plaintiff Has Not Demonstrated Irreparable Harm**

11 "To constitute irreparable harm, an injury must be certain, great, and actual. Irreparable
 12 harm cannot be speculative; the injury complained of must be of such imminence that there is a
 13 'clear and present' need for equitable relief to prevent irreparable harm." *Chem. Weapons*
 14 *Working Group, Inc. v. U.S. Dept. of the Army*, 963 F. Supp. 1083, 1095 (D. Utah 1997).
 15 Further, "[s]imple monetary harm does not constitute an immediate threat of irreparable harm."
 16 *L.A. Mem'l Coliseum Comm'n v. Nat'l Football League*, 634 F.2d 1197, 1202 (9th Cir. 1980).

17 While Plaintiff broadly alleges irreparable harm, Plaintiff fails to concretely explain how
 18 all Unforgettable employees will suffer harm or be unable to enforce their rights if injunctive
 19 relief is not granted. Plaintiff's allegations regarding monetary harm (backpay and overtime
 20 owed to employees), if true, are capable of redress in the normal course. Again, Plaintiff has
 21 failed to produce a shred of evidence to support its baseless allegation that Defendants retaliated
 22 against and threatened employees. Further, Defendants has already provided the Notice attached
 23 as Exhibit A to Plaintiff's Applications to its employees via text and the Slack messaging system.

24 As noted above, Plaintiff's Applications are based entirely upon deficient declarations,
 25 which in turn are rife with hearsay and double hearsay. There is no evidence of alleged threats or
 26 harm to any individual employees. Moreover, Defendants have not terminated any employees or
 27 taken any further action since it announced the potential reduction in pay due to reduced
 28 profitability projections. Employees who are currently unscheduled due to the lack of work

1 available will be placed on the schedule as soon as work becomes available. Plaintiff's
 2 Applications are based purely on conjecture and speculation, which is an insufficient basis for
 3 obtaining the requested relief. The only party that will suffer harm if this Court grants such
 4 broad, indiscriminate relief is Defendants, whose exercise of proper business judgment would be
 5 second guessed by the Court improperly sitting as a "super personnel department." *Chapman v.*
 6 *A1 Transp.*, 221 F.3d 1012, 1030 (11th Cir. 2000). Further, if this Court were to prohibit or
 7 otherwise hamper Defendant's ability to manage its labor expenses, either through layoffs or a
 8 reduction in pay, it would improperly limit Defendants' ability to respond to the current financial
 9 crisis. It would also endorse featherbedding by requiring Defendants to compensate employees
 10 when there is no work available to perform. *See, e.g., New Breed Leasing Corp. v. NLRB*, 111
 11 F.3d 1460, 1471-1472 (9th Cir. 1997) ("the Board's pretense of "remedy" has produced an order
 12 that may make profitable production impossible. By approving this masquerade we
 13 preserve featherbedding, increase the risks of taking over foundering firms, and frustrate the
 14 revival of aging plants. Neither American workers nor American consumers will welcome this
 15 consequence.") Therefore, this Court should deny Plaintiff's request for injunctive relief.

16 **4. The Balance of Equities Do Not Weigh in Plaintiff's Favor**

17 While this Court certainly has the authority and discretion to enter appropriate orders
 18 governing the conduct of parties, the Court must also weigh the need for any limitations or
 19 restrictions on Defendants' business operations in the midst of the severe economic crisis.

20 Here, the balance of the equities are not in Plaintiff's favor due the utter lack of evidence
 21 reflecting misleading, coercive, retaliatory, or otherwise improper communications by
 22 Defendants. Further, at this stage in the litigation, there is no basis to limit Defendants' ability to
 23 respond to the economic crisis. The court's analysis of the equities in *N. D. v. State Dep't of*
 24 *Educ.*, 600 F.3d 1104, 1113, 2010 U.S. App. LEXIS 6979, *17-18 (9th Cir. 2010) is instructive.
 25 There, the appellate court noted that the district court did not abuse its discretion when it found
 26 that it "could not say that the equities particularly tip in favor of the plaintiffs when the defendant
 27 school district was required to furlough employees. *Id.* The district court considered the money
 28 that would not have to be spent keeping the schools open and the layoffs that might need to occur

1 if the State did not implement the furloughs, against the harm to students caused by furloughs. *Id.*
2 The district court concluded that furloughs were "the least bad of all the bad choices you can
3 make." Similar, the equities do not weigh in Plaintiff's favor here such that Defendants should be
4 indefinitely prevented from laying off employees or reducing wages when such actions could be
5 necessary in order to keep its business open and financially sound.

6 **5. An Injunction Does Not Serve the Public Interest**

7 The scope of the injunction sought by Plaintiff is incredibly broad. Contrary to Plaintiff's
8 assertion that it "seeks only an order to assure that Defendants will comply with the law," ECF
9 No. 4-2 at 16:6-7, the relief requested by Plaintiff is overly broad. It applies to all employees of
10 Defendant, without differentiation. It does not differentiate between any of the 4 named corporate
11 defendants or any of the 3 named individual defendants. It asks the Court to sit as a "super
12 personnel department" to scrutinize Defendants' legitimate business decisions. *See* ECF No. 4-2
13 at 17:1-4 ("Defendants must be restrained from implementing any termination or pay cut...so that
14 the Secretary can bring any concern to this Court's attention prior to [implementation]."). It
15 seeks to dictate the methods and means through which Defendants assign labor in an increasingly
16 slow market. ECF No. 4-2 at 17:4 (requesting that Defendants provide employees less hours
17 rather than reduce pay company-wide). It seeks the indiscriminate disclosure of Defendants'
18 "production and payroll records" across all Defendant corporate entities to all employees. ECF
19 No. 4-2 at 17:19-21. In light of the overbroad nature of the relief requested by Plaintiff, couple
20 with the extremely weak evidence Plaintiff produced to support its request, the public interest
21 would clearly not be served by the imposition of injunctive relief. The public's interest is best
22 served by allowing parties to fairly engage in fact investigation and proceed to a trial on the
23 merits. Plaintiff has failed to identify a legitimate reason why Defendants should be restrained
24 from making reasoned decisions to maintain the company's financial health in the midst of the
25 current economic crisis. Accordingly Plaintiff's requested relief should be denied.

26 ///

27 ///

28 ///

Based upon the foregoing, Defendants respectfully request that this Court deny Plaintiff's Applications for Temporary Restraining Order and Order to Show Cause Re: Preliminary Injunction.

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